

SOCIAL SECURITY GUARANTEE INITIATIVE

MARCH 1, 1999.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ARCHER, from the Committee on Ways and Means,
submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.J. Res. 32]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the joint resolution (H.J. Res. 32) expressing the sense of the Congress that the President and the Congress should join in undertaking the Social Security Guarantee Initiative to strengthen and protect the retirement income security of all Americans through the creation of a fair and modern Social Security Program for the 21st century, having considered the same, report favorably thereon with amendments and recommend that the joint resolution as amended do pass.

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The amendments are as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This joint resolution may be cited as the “Social Security Guarantee Initiative”.

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Social Security program provides benefits to 44,000,000 Americans, including more than 27,000,000 retirees, 5,000,000 people with disabilities, and 2,000,000 surviving children, and is essential to the dignity and security of the Nation’s elderly, disabled, and their families;

(2) the Social Security program’s progressive benefit structure is of particular importance to women, due to their (A) longer life expectancies than men, making the Social Security program’s lifetime, inflation-adjusted benefits a critical income support especially for widows; (B) lower average earnings; and (C) lower pension and other retirement savings, stemming in part from their lower incomes and their spending an average of 11 years out of the paid workforce caring for families;

(3) the approaching retirement of the Baby Boom Generation will result in the Social Security program’s benefit costs exceeding its tax revenues beginning in 2013;

(4) the Social Security program faces looming insolvency and instability in the next century so that by 2032 the Social Security Trust Funds will be fully depleted and the program will be able to honor less than 75 percent of benefit commitments; and

(5) prompt action is necessary to restore Americans’ confidence that their retirement benefits will be protected.

SEC. 3. SENSE OF THE CONGRESS.

The President and the Congress should join in strengthening the Social Security program and protecting the retirement income security of all Americans for the 21st century in a manner that—

(1) ensures equal treatment across generations to all Americans, especially minorities and other low-income workers;

(2) recognizes the unique obstacles that women face in ensuring retirement, disability, and survivor security and the essential role that the Social Security program plays in protecting financial stability for women;

(3) provides a continuous benefit safety net for workers, their survivors, their dependents, and individuals with disabilities;

(4) protects guaranteed lifetime benefits, including cost-of-living adjustments that fully index for inflation, for current and future retirees; and

(5) does not increase taxes.

Amend the title so as to read:

Joint resolution expressing the sense of the Congress that the President and the Congress should join in undertaking the Social Security Guarantee Initiative to strengthen the Social Security program and protect the retirement income security of all Americans for the 21st century—

I. INTRODUCTION

A. PURPOSE AND SUMMARY

House Joint Resolution 32, the “Social Security Guarantee Initiative,” expresses the sense of the Congress that the President and the Congress should join in strengthening the Social Security program and protecting the retirement income security of all Americans for the 21st century in a manner that: (1) Ensures equal

treatment across generations to all Americans, especially minorities and low-income workers; (2) Recognizes the unique obstacles that women face in ensuring retirement, disability and survivor security and the essential role that Social Security plays in protecting financial stability for women; (3) Provides a continuous benefit safety net for workers, their survivors, their dependents, and individuals with disabilities; (4) Protects guaranteed lifetime benefits, including cost-of-living adjustments that fully index for inflation, for current and future retirees; and (5) Does not increase taxes.

B. BACKGROUND

Despite its success in alleviating poverty and boosting the incomes of millions of workers and families affected by retirement, death, and disability, America's Social Security program faces a funding crisis due to long-term demographic changes. The 1998 Social Security Trustees' report notes that program spending will exceed tax revenues in 2013; by 2032, the Trust Funds will be exhausted and Social Security income will be sufficient to meet less than 75 percent of program obligations.

In anticipation of these challenges, the President proposed a reform "framework" as part of his fiscal year 2000 budget and several reform proposals have been introduced in Congress. Although proposals often differ on specific reform proposals, all seek to extend the life of the Social Security program and reinforce its benefit pledges for current and future retirees.

C. LEGISLATIVE HISTORY

H.J. Res. 32 was introduced on February 23, 1999, by Representative Ryan (R, WI) and was referred to the Committee on Ways and Means. On February 24, 1999, the Committee ordered House Joint Resolution 32, as amended, favorably reported to the House by a recorded vote of 32 yeas, 0 nays.

II. EXPLANATION OF PROVISIONS

Section 1. Short title

This act may be cited as the "Social Security Guarantee Initiative."

Section 2. Findings

Present law

No provision.

Explanation of the resolution

The joint resolution, as approved by the Committee on Ways and Means, makes a series of findings pertaining to the importance of the Social Security program to millions of American families, the significance of the program's progressive benefits structure especially for women, the costs of the impending retirement of the Baby Boom generation, the program's looming insolvency, and the need for swift action to restore Americans' confidence that their retirement benefits will be protected.

Reason for committee action

The joint resolution makes clear the importance of the Social Security program for millions of American families, and thus the need to maintain the program for current and future generations.

*Section 3. Sense of the Congress**Present law*

No provision.

Explanation of the resolution

The joint resolution states that the President and the Congress should join in strengthening the Social Security program and protecting the retirement income security of all Americans for the 21st century in a manner that: (1) Ensures equal treatment across generations to all Americans, especially minorities and low-income workers; (2) Recognizes the unique obstacles that women face in ensuring retirement, disability and survivor security and the essential role that Social Security plays in protecting financial stability for women; (3) Provides a continuous benefit safety net for workers, their survivors, their dependents, and individuals with disabilities; (4) Protects guaranteed lifetime benefits, including cost-of-living adjustments that fully index for inflation, for current and future retirees; and (5) Does not increase taxes.

Reason for committee action

The joint resolution expresses that the Congress and the President should work together to strengthen Social Security and protect the retirement income security of all Americans in accord with key program principles and without raising taxes.

III. VOTES OF THE COMMITTEE

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee on Ways and Means in its consideration of the resolution, H.J. Res. 32:

MOTION TO REPORT THE BILL

H.J. Res. 32 was ordered reported favorably with amendment to the House of Representatives by a rollcall vote of 32 yeas to 0 nays (with a quorum present). The vote was as follows:

Representatives	Yea	Nay	Present	Representatives	Yea	Nay	Present
Mr. Archer	X	.....	.....	Mr. Rangel	X	.....	.....
Mr. Crane	X	.....	.....	Mr. Stark .....	.....	.....	.....
Mr. Thomas .....	.....	.....	.....	Mr. Matsui	X	.....	.....
Mr. Shaw	X	.....	.....	Mr. Coyne	X	.....	.....
Mrs. Johnson	X	.....	.....	Mr. Levin	X	.....	.....
Mr. Houghton	X	.....	.....	Mr. Cardin	X	.....	.....
Mr. Herger .....	.....	.....	.....	Mr. McDermott .....	.....	.....	.....
Mr. McCrery	X	.....	.....	Mr. Kleczka	X	.....	.....
Mr. Camp	X	.....	.....	Mr. Lewis (GA) .....	.....	.....	.....
Mr. Ramstad	X	.....	.....	Mr. Neal	X	.....	.....
Mr. Nussle	X	.....	.....	Mr. McNulty	X	.....	.....
Mr. Johnson	X	.....	.....	Mr. Jefferson .....	.....	.....	.....
Ms. Dunn	X	.....	.....	Mr. Tanner	X	.....	.....

Representatives	Yea	Nay	Present	Representatives	Yea	Nay	Present
Mr. Collins	X	.....	.....	Mr. Becerra	X	.....	.....
Mr. Portman	X	.....	.....	Mrs. Thurman	X	.....	.....
Mr. English	X	.....	.....	Mr. Doggett	X	.....	.....
Mr. Watkins	X	.....	.....		
Mr. Hayworth	X	.....	.....		
Mr. Weller	X	.....	.....		
Mr. Hulshof	X	.....	.....		
Mr. McClinnis .....	.....	.....	.....	
Mr. Lewis (KY)	X	.....	.....		
Mr. Foley	X	.....	.....		

VOTE ON AMENDMENT

A rollcall vote was conducted on the following amendment to the Chairman's amendment in the nature of a substitute.

An amendment by Mr. Rangel to add a new paragraph in section 3, before paragraph 1, that would add language to save Social Security first, ahead of any legislative initiatives that consume a portion of budget suppluses, was defeated by a rollcall vote of 12 yeas to 21 nays. The vote was as follows:

Representatives	Yea	Nay	Present	Representatives	Yea	Nay	Present
Mr. Archer	X	.....	Mr. Rangel	X	.....	.....
Mr. Crane	X	.....	Mr. Stark .....	.....	.....	.....
Mr. Thomas	Mr. Matsui	X	.....	.....
Mr. Shaw	X	.....	Mr. Coyne	X	.....	.....
Mrs. Johnson	X	.....	Mr. Levin	X	.....	.....
Mr. Houghton	X	.....	Mr. Cardin	X	.....	.....
Mr. Herger	X	.....	Mr. McDermott .....	.....	.....	.....
Mr. McCrery	X	.....	Mr. Kleczka	X	.....	.....
Mr. Camp	X	.....	Mr. Lewis (GA) .....	.....	.....	.....
Mr. Ramstad	X	.....	Mr. Neal	X	.....	.....
Mr. Nussle	X	.....	Mr. McNulty	X	.....	.....
Mr. Johnson	X	.....	Mr. Jefferson .....	.....	.....	.....
Ms. Dunn	X	.....	Mr. Tanner	X	.....	.....
Mr. Collins	X	.....	Mr. Becerra	X	.....	.....
Mr. Portman	X	.....	Mrs. Thurman	X	.....	.....
Mr. English	X	.....	Mr. Doggett	X	.....	.....
Mr. Watkins	X	.....			
Mr. Hayworth	X	.....			
Mr. Weller	X	.....			
Mr. Hulshof	X	.....			
Mr. McClinnis				
Mr. Lewis (KY)	X	.....			
Mr. Foley	X	.....			

IV. BUDGET EFFECTS OF THE JOINT RESOLUTION

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the following statement is made:

The Committee agrees with the estimate prepared by the Congressional Budget Office (CBO) which is included below.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states the H.J. Res. 32 results in no net decrease in budget authority for direct spending

programs relative to current law, and no new or increase due to tax expenditures.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 3(c)(3) of rule XIII of the House of Representatives requiring a cost estimate prepared by the Congressional Budget Office, the following report prepared by CBO is provided:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 1, 1999.

Hon. BILL ARCHER,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.J. Res. 32, the Social Security Guarantee Initiative.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kathy Ruffing.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.J. Res. 32—Social Security Guarantee Initiative

H.J. Res. 32 would express the sense of the Congress that the President and the Congress should work together to reform the Social Security system in a way that averts insolvency, ensures the adequacy of benefits, assures equitable treatment for different generations, and does not increase taxes. The resolution would not authorize or appropriate any new spending or alter tax law. Therefore, CBO estimates that passages of H.J. Res. 32 would have no budgetary effect, and pay-as-you-go procedures would not apply.

H.J. Res. 32 contains no intergovernmental or private-sector mandates as defined by the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Kathy A. Ruffing. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

V. OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that the need for this legislation was confirmed through its ongoing oversight of the Social Security Administration and the Social Security programs.

B. SUMMARY OF FINDINGS AND RECOMMENDATIONS OF THE
GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

In compliance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee states that no oversight findings and recommendations have been submitted to this Committee by the Committee on Government Reform and Oversight with respect to the provisions contained in this joint resolution.

C. CONSTITUTIONAL AUTHORITY STATEMENT

With respect to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, relating to Constitutional Authority, the Committee states that the Committee's action in reporting the joint resolution is derived from Article I of the Constitution, Section 8 ("The Congress shall have the power to lay and collect taxes, duties, imposts and excises to pay the debts and to provide for * * * the general welfare of the United States * * *").

VI. ADDITIONAL VIEWS

The economic prosperity brought on by the tough choices made by the Congress in 1993 presents us with an historic opportunity. The budget surplus offers us the chance to leave the next generation free of public debt while restoring the solvency of the Social Security Trust Fund. We should seize the moment and fix the roof while the sun is shining.

The President has offered us a proposal which will reduce publicly-held debt and shore up the Social Security Trust Fund into the middle of the 21st Century. The President would set aside 62% of the projected budget surplus for Social Security. He would set aside another 15% of the surplus for Medicare. This would draw down the publicly-held debt and reduce interest payments on the debt to the lowest level since World War I. This would enhance economic growth so that we can keep our Social Security promises to future generations.

To date the Republicans have offered no solution which will restore Social Security solvency. H.J. Res. 32 is merely a “resolution” not a solution. In contrast, the President has laid a plan on the table which will produce a virtuous cycle of reduced public debt and reduced interest payments. This will keep the economy growing, and it will enable us to provide for the retirement of the baby boom generation by strengthening Social Security.

Democrats want to put aside the budget surplus not only to strengthen America’s retirement security, but also to reduce the national debt and reduce the billions of dollars wasted on interest payments on that debt. We currently spend nearly as much on interest payments as on national defense.

The Democrats want to use the surplus to reduce interest payments both for the government and for individuals. A virtuous cycle of debt reduction will bring down interest rates for average Americans, including home mortgage rates and car loan payments.

Saving the surplus is the best way to deliver continued prosperity for hardworking, middle-class families. By reducing the public debt, the President’s plan will increase national savings and produce sustained economic growth. Federal Reserve Board Chairman, Alan Greenspan, has said, “The President’s approach to Social Security reform supports a large unified budget surplus. This is a major step in the right direction in that it would ensure that the current rise in government’s positive contribution to national savings is sustained.”

During the markup of H.J. Res. 32, Democrats offered an amendment—which all 21 of the Ways and Means Republicans present voted against—which would have made it clear that the Congress was committed to making Social Security its first priority. Democrats had a simple request of the Republicans—that they agree that Social Security should be saved first, ahead of legislative ini-

tiatives (for example, tax cuts) that consume a portion of budget surpluses. Unless we make Social Security our first priority, we may never reach the goal of H.J. Res. 32—a strong Social Security program that protects the retirement income security of all Americans into the 21st Century.

The Social Security program is the most beloved and successful program in U.S. history. It has removed millions of Americans from poverty. Without Social Security, half of America's elderly would live in poverty. Social Security has provided all Americans with a sense of security that, if they are disabled, widowed or elderly, they will not be left destitute.

We do not need to create a "new" Social Security program that really isn't Social Security. We need to strengthen the one that we already have. That is why Democrats offered successful amendments to H.J. Res. 32 to demonstrate our clear intention to strengthen Social Security, rather than to replace it with a new system.

When Americans are asked what they want to use the surplus for, they respond in overwhelming numbers that they want to use it to strengthen Social Security. Young and old Americans have made it clear that they do not want to dismantle or restructure the current system and replace it with something else. They want a guaranteed Social Security benefit that lasts as long as they live.

Democrats offered a successful amendments to assure that benefits were guaranteed for both current and future generations, rather than just for current beneficiaries and those nearing retirement. All Americans, including young people, deserve to know that Social Security is going to be there for them. American workers, young and old alike, deserve to know that, once they reach retirement, Social Security and its lifelong, guaranteed, inflation-protected benefits will be there for them, just as those same benefits are there for today's retirees.

Democrats also offered a successful amendment to make it clear that those current and future retirees should receive guaranteed lifetime benefits, including cost-of-living adjustments that fully index for inflation. Retirees over the age of 80—most of whom are women—are among the most economically vulnerable Americans. Without a full cost-of-living adjustment, the very old would fall further and further behind other Americans in their standard of living.

It is not in the interest of either Democrats or Republicans to have another “do-nothing” Congress. The only way that we will solve the challenges involved with Social Security and Medicare is to act in a bipartisan way. We need real solutions—not resolutions. Putting off action will not benefit anyone. We need to prove the cynics wrong and act now to secure the Social Security and Medicare programs for future generations.

ROBERT T. MATSUI.
MICHAEL R. McNULTY.
WILLIAM J. COYNE.
C.B. RANGEL.
JIM McDERMOTT.
JERRY KLECZKA.
PETE STARKE.
LOLYD DOGGETT.
BEN CARDIN.
WM. J. JEFFERSON.
JOHN LEWIS.
JOHN TANNER.
RICHARD E. NEAL.
XAVIER BECERRA.
KAREN L. THURMAN.
SANDER LEVIN.

